



NSTAR Electric & Gas Corporation
One NSTAR Way, Westwood, Massachusetts 02090-9230

September 26, 2002

Mary L. Cottrell, Secretary
Commonwealth of Massachusetts
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, Massachusetts 02110

Re: D.T.E. 00-63
NSTAR Electric Energy Efficiency Program Performance
2001 Incentive Reconciliation Report

Dear Secretary Cottrell:

Pursuant to the Offer of Settlement filed in this proceeding on August 13, 2001 (the "2001 Update") and approved by the Department of Telecommunications and Energy ("Department") on December 21, 2001, attached is NSTAR Electric's¹, Incentive Reconciliation Report for energy efficiency program performance for the period January 1, 2001 through December 31, 2001. Specifically, in the 2001 Update, the Settling Parties² agreed to performance metrics with respect to NSTAR Electric's 2001 energy efficiency programs. The attached report sets forth each Company's performance with respect to individual 2001 metrics and the level of incentive actually achieved based upon 2001 performance. This report and the Companies' documentation supporting 2001 metric performance have been thoroughly examined by the Settling Parties³ and their consultants. All of their comments are reflected in today's filing.

Thank you for your attention to this filing. Should you have any questions, please do not hesitate to contact me directly at (781) 441-8701.

Sincerely,

Lisa M. Carloni
Director, Energy Efficiency

¹ Boston Edison Company, Cambridge Electric Light Company and Commonwealth Electric Company are collectively referred to as "NSTAR Electric" or the "Companies."

² The 2001 Update was submitted jointly by NSTAR Electric and the Settling Parties including The Conservation Law Foundation; The Energy Consortium; the Low-Income Energy Affordability Network (including: low-income weatherization and fuel assistance program providers; Action for Boston Community Development, Inc.; Action, Inc.; Massachusetts Community Action Program Directors' Association, Inc.; South Middlesex Opportunity Council, Inc.; and Tri-City Community Action Programs, Inc.), the Northeast Energy Efficiency Council, and the Associated Industries of Massachusetts.

³ The Conservation Law Foundation withdrew as a Party to this docket on July 31, 2002.

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cc: Paul Afonso, General Counsel, DTE
Ronald LeComte, Director, Electric Power Division, DTE
Gene Fry, Electric Power Division, DTE
Bruce Ledgerwood, DOER
Larry Masland, DOER
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